

Adjournment Debate

December. They have been assured they will be given first opportunity to other jobs in the federal service in Halifax. I have been assured it is very unlikely that even one of those people will not be placed. On the one hand there is the industrial area of Cape Breton with a very severe unemployment rate, and on the other hand the area of Halifax-Dartmouth which has one of the lowest unemployment rates in the country.

● (1755)

NATIONAL DEFENCE—FRIGATE CONSTRUCTION OF PROGRAM CONTRACTS. (B) REQUEST THAT MINISTER TABLE LIST OF CONTRACTS

Mr. John Gamble (York North): Mr. Speaker, I raise at this time the unsatisfactory response given to me by the Minister of Defence (Mr. Blais) earlier this week when I pressed him with respect to the Canadian Patrol Frigate Program and his commitment made in June of 1983 that two-thirds of the entire project would be awarded to Canadian firms. In replying to my question on Tuesday of this week the Minister said:

I will be pleased to provide the Hon. Member with as much information as can be made available, taking into account some commercial confidentialities that have to be maintained.

My request, very simply, was that the Minister's promise that two-thirds of the contract would be awarded to Canadian firms be maintained and that he identify the contractors which had been selected, so that we might be assured on an ongoing basis that that original promise was being kept. I know there may be a substantial difference between the promise of Government and the delivery.

I am mindful of the comment the Minister made with respect to this project on June 29 that two-thirds of the contract will be supplied by Canadian firms. I draw to the attention of the House a statement which appeared in the Speech from the Throne on December 7, 1983, that small scale entrepreneurs are the unsung heroes of the recovery. Small businesses are a perpetual source of inventiveness, valuable export earnings and vast job creation potential. To assist this sector an expanded "shop Canadian" program was to be launched.

I have had some rather unfortunate personal experiences in dealing with the present Minister of National Defence when he served in his former portfolio as the Minister of Supply and Services. I approached him on behalf of a constituent of mine, Delavel Turbine Limited of Maple, Ontario. Delavel was among a number of competitors for a contract to be awarded by the National Research Council. Among the competitors were foreign suppliers of a similar product from Switzerland and West Germany. I interceded on behalf of my constituent and asked that special consideration be given because there were 400 employees of this firm whose jobs were substantially at risk in the event that this contract was not won. I pointed out that special subsidies were awarded to the foreign contractors by their governments and it was inappropriate that an award be made in the absence of special consideration of those hidden benefits and subsidies.

On April 18, 1983, I received a letter from the then Minister of Supply and Services, the now Minister of National Defence in which he said to me:

You will have received my reply to an earlier letter on this subject in which I advised that this particular procurement is subject to the GATT agreement on Government procurement with which all signatory countries are bound to comply. My understanding is that it is among the provisions of the agreement that no premiums for domestic content will apply to purchases that are governed by the agreement.

It was impossible, according to the Minister, to intervene on behalf of a Canadian supplier.

● (1800)

We are concerned in this patrol frigate program with a potential expenditure of \$3.85 billion for the six ships. In the event that the Government does not on an ongoing basis supervise and examine the awarding of these contracts, I can assure you that by the time the contracts are fully awarded we will find that the Canadian content element will be substantially less than the two-thirds to which reference has been made by the Minister when he served as the Minister of Supply and Services, and by the Minister as he sits in the House today who commented favourably to my request for assurance earlier this week.

When I first came to Parliament I spent about two years serving on the Public Accounts Committee. It is a committee which examines matters after they have taken place. What I discovered with respect to the icebreaker program undertaken by the Government in terms of contract procurement was that mistakes were made that were extremely costly to the Government. But the matter was over. You could not go back and rectify something that had been done.

I am drawing this matter to the attention of the Government so that something may be done on an ongoing basis before all the contracts are awarded and the money is spent, when we begin to lament the inadequacy of representations that have been made to assure Canadian industry that they will get a fair share of this entire project.

One of the great tragedies about our defence procurement policies is that the electronics and the armament and weapon systems on the ships will all be bought off the shelves from a foreign nation. Regrettably, that is the result of the Government of the day failing to maintain an adequate armament industry in this country.

Not long ago the Minister spoke of the fact that he acquired small arms for Canadian soldiers. He indicated that the contract was going to cost twice as much as a similar supply of material in the United States, but that it would be made-in-Canada production. The reason we are in that predicament is that unfortunately our defence industry has shrunk, almost vanished. It is clearly time that we begin to protect Canadian industry. By supervising carefully the awarding of these contracts we will be doing just that.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first I would like to say in all fairness that the question as discussed, with specifics